

Public Chapter 227

SENATE BILL NO. 1845

By Ramsey, Crutchfield

Substituted for: House Bill No. 1920

By Kisber

AN ACT To amend Tennessee Code Annotated, Title 48, Chapter 101, Part 5, relative to charitable solicitations.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 48-101-506(b)(2), is amended by deleting the language in its entirety and replacing it with the following language:

The annual report of every charitable organization which received in excess of two hundred fifty thousand dollars (\$250,000) in gross revenue during its most recently completed fiscal year shall be accompanied by: (1) an audited financial statement, presented in accordance with generally accepted accounting principles which has been examined by an independent certified public accountant for the purpose of expressing an opinion thereon; and (2) any and all forms required to be filed by a charitable organization with the United States Internal Revenue Service;

SECTION 2. Tennessee Code Annotated, Section 48-101-506(b)(3), is amended by deleting the language "twenty-five thousand dollars (\$25,000) but less than one hundred thousand dollars" and replacing it with the language "thirty thousand dollars (\$30,000) but less than two hundred fifty thousand dollars (\$250,000)".

SECTION 3. Tennessee Code Annotated, Section 48-101-506(f), is amended by deleting the language "or exemption" and "or fails to request an extension in accordance with subsection (e) above."

SECTION 4. Tennessee Code Annotated, Section 48-101-507(a), is amended by deleting the subsection in its entirety and replacing it with the following language:

No person shall act as a professional solicitor for any charitable organization, whether exempt from the provisions of this part or not, unless such person has first registered with the Secretary of State. Registration shall include the filing of a complete application, bond and filing fee.

No person who has been convicted within the past five (5) years for a violation of any provision of this part, and no person convicted of a felony in this or any other state, shall be eligible for registration or serve as an employee,

member, officer or agent of any professional solicitor until such person's civil rights have been restored.

SECTION 5. Tennessee Code Annotated, Section 48-101-507(a), is further amended by adding the following subdivisions:

(1) Application for registration shall be in writing under oath or affirmation in the form prescribed by the Secretary of State and contain such information as the Secretary of State may require. A registration application that contains false, misleading, deceptive or incomplete information or document shall not be considered sufficient or complete. All registrations for professional solicitors shall expire on December 31st of the year for which they are issued.

(2) A bond in the sum of twenty-five thousand dollars (\$25,000) shall be filed with the registration application and shall be approved by the Secretary of State. The bond shall name the applicant as the principal obligor with one (1) or more sureties, satisfactory to the Secretary of State, whose liability in the aggregate as such sureties will at least equal that sum. It shall be payable to the State of Tennessee for the use of the Secretary of State and any person who may have a cause of action against the obligor of the bond for any violations under this part or for any losses resulting from malfeasance, nonfeasance or misfeasance in the conduct of solicitation activities. An individual, partnership or corporation, which is a professional solicitor, may file a consolidated bond on behalf of all its members, officers and employees. The bond shall continue in effect so long as a registration is in effect.

(3) The annual registration fee for every person who is a professional solicitor shall be eight hundred dollars (\$800).

SECTION 6. Tennessee Code Annotated, Section 48-101-507(c), is amended by deleting that subsection in its entirety and replacing it with the following language:

No person shall act as a fundraising counsel for any charitable organization, whether exempt from the provisions of this part or not, unless such person has first registered with the Secretary of State. Registration shall include the filing of a complete application, a bond and filing fee.

SECTION 7. Tennessee Code Annotated, Section 48-101-507(c), is further amended by adding the following subdivisions:

(1) Application for registration shall be in writing under oath or affirmation in the form prescribed by the Secretary of State and contain such information as the Secretary of State may require. A registration application that contains false, misleading, deceptive or incomplete information or document shall not be considered sufficient or complete. All registrations for fundraising counsel shall expire on December 31st of the year for which they are issued.

(2) A bond in the sum of twenty-five thousand dollars (\$25,000) shall be filed with the registration application and shall be approved by the Secretary of State. The bond shall name the applicant as the principal obligor with one (1) or more sureties, satisfactory to the Secretary of State, whose liability in the aggregate as such sureties will at least equal that sum. It shall be payable to the State of Tennessee for the use of the Secretary of State and any person who may have a cause of action against the obligor of the bond for any violations under this part or for any losses resulting from malfeasance, nonfeasance or misfeasance in the conduct of solicitation activities. An individual, partnership or

corporation, which is a fundraising counsel, may file a consolidated bond on behalf of all its members, officers and employees. The bond shall continue in effect so long as a registration is in effect.

(3) The annual registration fee for every person who is a fundraising counsel shall be two hundred fifty dollars (\$250).

SECTION 8. Tennessee Code Annotated, Section 48-101-507(d)(1), is amended by deleting the language in its entirety.

SECTION 9. Tennessee Code Annotated, Section 48-101-507(d)(2), is amended by deleting the language in its entirety.

SECTION 10. Tennessee Code Annotated, Section 48-101-507(e), is amended by deleting the language in its entirety.

SECTION 11. Tennessee Code Annotated, Section 48-101-507(f)(1) and (2), are amended by renumbering them 48-101-507(d)(1) and (2).

SECTION 12. This act shall take effect upon becoming a law, the public welfare requiring it.